

COMMISSIONER OF SECURITIES & INSURANCE

MONICA J. LINDEEN
COMMISSIONER



OFFICE OF THE MONTANA
STATE AUDITOR

Advisory Memorandum

To: ALL HEALTH INSURERS ISSUING MAJOR MEDICAL HEALTH INSURANCE

From: MONICA J. LINDEEN - Commissioner of Securities and Insurance
Office of the Montana State Auditor [CSI]

Date: June 2, 2010

A handwritten signature in blue ink that reads "Monica J. Lindeen".

POLICY AND CERTIFICATE AMENDMENTS REQUIRED BY THE PATIENT PROTECTION AND AFFORDABLE CARE ACT

Major medical health insurance policies and certificates must be amended to comply with applicable provisions of the federal Patient Protection and Affordable Care Act (PPACA) (Public Law 111-148) that become effective for "plan years" beginning on or after September 23, 2010. For most fully insured, small employer group health plans, the "plan year" starts on the 12-month renewal date of the policy. If the health insurance issuer has no evidence from the employer plan sponsor showing that the plan year is other than the renewal date of the health insurance policy, the 12-month renewal date must be used. For individual health insurance policies or certificates, the 12-month renewal date for the policy or "policy year" should be used.

The Office of the Commissioner of Securities and Insurance (CSI) requests that the required changes be submitted in the form of amendments or endorsements to existing, previously approved policy and certificate forms. Please indicate to which form numbers the amendment or endorsement applies. **These forms must be filed with the CSI no later than July 23, 2010.** The CSI will not be re-reviewing the entire policy or certificate form because of the limited time and the volume of submissions that are expected. If a company submits an entire policy or certificate form, it will be reviewed in the order it

was received along with all other form filings. The amendments and endorsements related to PPACA will receive expedited review.

The CSI requires that you use the check lists and the certification form developed and finally adopted by the National Association of Insurance Commissioners (NAIC) that will be available on SERFF and on the CSI website that specifically apply to the PPACA amendments. No insurer is required to join SERFF. Insurers may access the necessary forms on the CSI's website. The check lists differentiate between grandfathered and non-grandfathered and individual and group health insurance coverage. Separate amendments may be necessary for grandfathered and non-grandfathered plans.

All form submissions are still subject to Mont. Code Ann. § 33-1-501. All forms listed in that statute, including, but not limited to, policy forms, certificate forms, endorsements, amendments, riders and application forms must receive prior approval from the CSI before being issued for delivery to a Montana resident. **Please remember that Montana has a standing request that all group certificates that are delivered or issued for delivery in Montana for group insurance policies effectuated and delivered outside Montana but covering persons resident in Montana must be filed and approved by the CSI.** [Certain exceptions apply for large group, single employer health plan coverage. Mont. Code Ann. § 33-1-501(10).]

Please check our website and SERFF for updates to this Memorandum and further instructions for filing the PPACA amendments and endorsements. The check lists, form filing instructions and this memorandum will be changed if necessary to reflect any new requirements that may appear in federal regulations issued at a later date.

All amendments and all policy forms must also comply with Montana law. Montana laws are not preempted by PPACA unless the state law prevents the application of the provisions of PPACA. If a preemption situation arises, the memorandum will be amended.

If you still have further questions, please call Rosann Grandy, Forms Bureau Chief at 406-444-3443 or toll free at 800-332-6148.